

193A—13.6 (542) Other responsibilities and practices.

13.6(1) *Acts discreditable.* A CPA or LPA shall not commit any act that reflects adversely on the CPA's or LPA's fitness to engage in the practice of public accountancy. The board may consider discipline by any other agency or jurisdiction when determining probable cause to take action against a CPA or LPA for acts discreditable. Conduct discreditable to the public accounting profession is further defined in 193A—subrule 14.3(12).

13.6(2) *Advertising.* A CPA or LPA shall not use or participate in the use of any form of public communication having reference to professional services that contains a false, fraudulent, misleading, deceptive or unfair statement or claim. A false, fraudulent, misleading, deceptive or unfair statement or claim includes but is not limited to a statement or claim which:

- a.* Contains a misrepresentation of fact; or
- b.* Is likely to mislead or deceive because it fails to make full disclosure of relevant facts; or
- c.* Contains any testimonial or laudatory statement, or other statement or implication that the CPA's or LPA's professional services are of exceptional quality; or
- d.* Is intended to likely create false or unjustified expectations of favorable results; or
- e.* Implies educational or professional attainments or licensing recognition not supported in fact; or
- f.* States or implies that the CPA or LPA has received formal recognition as a specialist in any aspect of the practice of public accountancy, if this is not the case; or
- g.* Represents that professional services can or will be competently performed for a stated fee when this is not the case, or makes representations with respect to fees for professional services that do not disclose all variables affecting the fees that will in fact be charged; or
- h.* Contains other representations or applications that in reasonable probability will cause an ordinarily prudent person to misunderstand or be deceived.

13.6(3) *Solicitation.* A CPA or LPA shall not by any direct personal communication solicit an engagement to perform professional services:

- a.* If the communication would violate subrule 13.6(2) if it were a public communication; or
- b.* By the use of coercion, duress, compulsion, intimidation, threats, overreaching, or harassing conduct; or
- c.* If the solicitation communication contains proposals which would be in violation of rule 193A—13.3(542) or 193A—13.4(542).

13.6(4) *Acting through others.* A CPA or LPA shall not permit others to carry out on the CPA's or LPA's behalf, either with or without compensation, acts which, if carried out by the CPA or LPA, would violate the rules of professional conduct.

13.6(5) *Misleading firm names.* A firm name is misleading within the meaning of Iowa Code section 542.13 if, among other things:

- a.* The firm name implies the existence of a corporation when the firm is not a corporation.
- b.* The firm name implies the existence of a partnership when there is not a partnership, e.g., "Smith & Jones, CPAs" or "Smith and Jones, LPAs."
- c.* The CPA firm name includes the name of a person who is not a CPA if the title "CPAs" or "Certified Public Accountants" is included in the firm name.
- d.* The LPA firm name includes the name of a person who is not an LPA if the title "LPAs" or "Licensed Public Accountants" is included in the firm name.
- e.* The firm name contains any wording that would be a violation of subrule 13.6(2).

13.6(6) *Communications.* A CPA or LPA shall, when requested, respond to communications from the board within 30 days of the mailing of such communications by certified mail.

13.6(7) *Reporting requirements.* In addition to any other reporting requirement in Iowa Code chapter 542 or these rules, a CPA or LPA shall notify the board within 30 days of:

- a.* Imposition upon the CPA or LPA of discipline including, but not limited to, censure, reprimand, sanction, probation, civil penalty, fine, consent decree or order, suspension, revocation, or modification of a license, certificate, permit or practice rights by:

- (1) The SEC, PCAOB, IRS (by the director of practice); or
- (2) Another state board of accountancy for cause other than failure to pay a professional fee by the due date or failure to meet the continuing education requirements of another state board of accountancy; or
- (3) Any other federal or state agency regarding the CPA's or LPA's conduct while rendering professional services; or
- (4) Any foreign authority or credentialing body that regulates the practice of accountancy;

b. Occurrence of any matter reportable that must be reported by the CPA to the PCAOB pursuant to Sarbanes-Oxley Section 102(b)(2)(f) and PCAOB rules and forms adopted pursuant thereto;

c. Any judgment, award or settlement of a civil action or arbitration proceeding in which the CPA or LPA was a party if the matter included allegations of gross negligence, violation of specific standards of practice, fraud, or misappropriation of funds in the practice of accounting; provided however, licensed firms shall notify the board regarding civil judgments, settlements or arbitration awards directly involving the firm's practice of public accounting in this state; or

d. Criminal charges, deferred prosecution or conviction or plea of no contest to which the licensee is a defendant if the crime is:

(1) Any felony under the laws of the United States or any state of the United States or any foreign jurisdiction; or

(2) Any crime, including a misdemeanor if an essential element of the offense is dishonesty, deceit or fraud, as further described in Iowa Code section 542.5(2).

13.6(8) *Firm's duty to report.* The CPA or LPA designated by each firm as responsible for the proper licensure of the firm or registration of an office of the firm shall report any matter reportable under this rule to which a nonlicensee owner with a principal place of business in this state is a party.

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